**THE GREAT DEPRESSION**

The Great Depression was a worldwide economic decline that began in the United States. The Great Depression began in 1929 with the crash of the Stock Market and lasted until about 1939. This economic decline is called the ‘Great Depression’ because it lasted longer and was more severe than any other depression before it. Huge amounts of the American population would lose their jobs and homes as a result of the Great Depression.

The Great Depression is generally believed to have started with the crash of the Stock Market in October of 1929. As stock prices began to fall millions of people tried to sell their stocks all at once. On Tuesday, October 29, 1929, also known as ‘Black Tuesday’ over 16 million shares of stocks were sold, setting a record. Many American banks were forced to close as they had invested large amounts of their clients’ savings into the stock market. When the banks closed many people lost all their savings. These are the causes of the great depression.

One of the biggest effects of the Great Depression was the huge increase in unemployment. Large amounts of Americans lost their jobs as a result of the depression. It was estimated that 25% of the American population, or one out of every four people, were out of work during this time. The loss of jobs also meant that many people lost their homes. It became common during this time for people to move about the country in search of work and shelter. People who could not afford to feed themselves had to wait in line for free bread. These became known as ‘Bread Lines’.

In 1932, Franklin D. Roosevelt was elected as the President of the United States. Roosevelt introduced a plan known as ‘The New Deal’ to help the country get out of the depression. Two important parts of Roosevelt’s plans were the Federal Deposit Insurance Corporation (FDIC) and the Social Security Act. The FDIC was set up to protect people’s money being kept in bank accounts. The Social Security Act provided insurance and benefits to the elderly and disabled. These two programs are still in effect today.